

Appendix A to Lead Plaintiffs' Memo. of Law in Opposition to Defendants' Motion to Dismiss

DATE OF STATEMENT	DEFENDANTS MATERIALLY FALSE AND MISLEADING STATEMENTS OR MATERIAL OMISSIONS ¹	REASON(S) MISREPRESENTATIONS WELL-PLED		
		MISREPRESENTATION OF CURRENT OR HISTORICAL FACTS	REASON STATEMENT IS FALSE AND MISLEADING WHEN MADE	REASON STATEMENT WAS MADE WITH SCIENTER
3/19/2018	"After extensive due diligence, we see significant opportunity to improve costs, throughput and recoveries over time with our expertise. . . . <i>We expect this transaction to be accretive on many important financial and credit metrics . . .</i> " ¶ 88	Yes, <i>see</i> Pls'. Opp. Brief at 12-13.	¶ 92	¶¶ 178-187; 11, 41 48, 50, 57-75, 149, 148-51, 153-55, 166-68
3/19/2018	"Fire Creek is a cornerstone producing asset with <i>robust cash flows</i> and significant opportunities for exploration, mine life expansion, and increased throughput." ¶ 88	Yes, <i>see</i> Pls'. Opp. Brief at 11-12, 18.	¶ 92	¶¶ 178-87 11, 48, 50, 57-75, 148-51, 153-55, 166-68
3/19/2018	"And we think that this is a huge step in that direction <i>given the small amount of capital that these projects are going to require.</i> " ¶ 89	Yes, <i>see</i> Pls'. Opp. Brief at 11-12.	¶ 92	¶¶ 178-87; 11, 48, 50, 57-75, 148-51, 153-55, 166-68

¹ The Complaint identifies the materially false and misleading statements in bold and italicized typeface. ¶ 87 n. 18.

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3/19/2018	<p>“But <i>all of this stuff is relatively small capital</i>. That was one of the things that struck us is we can acquire this. <i>Nevada itself will be cash flow positive for us. There is no capital outlay that we’re looking to, in Nevada, that’s going to consume all of the cash flow that will be generated from the three mines . . .</i></p> <p style="text-align: center;">***</p> <p>We would anticipate seeing that higher grade. But <i>even if it’s not, what we find with our mine plan is that we will, basically the downside is we get all of our money back. . . .</i></p> <p style="text-align: center;">***</p> <p><i>And then from the get-go, the Nevada assets are going to be cash flow positive. . . .</i>” ¶ 91</p>	Yes, <i>see</i> Pls’. Opp. Brief at 11-13.	¶ 92	¶¶ 178-87; 11, 48, 50, 57-75, 148-51, 153-55, 166-68
5/10/2018	<p>“We saw three large, in this case, Nevada properties as big as those that we already have, and <i>we saw extraordinary grades.</i>” ¶ 93</p>	Yes, <i>see</i> Pls’. Opp. Brief at 11-13, 18.	¶¶ 94, 58, 70, 75	¶¶ 94, 148-51, 153-55

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5/10/2018	Defendants violated Item 303 by failing to disclose the ongoing material negative trends and uncertainties that were negatively affecting operations and that were growing worse at the Nevada Mines. ¶ 96	Yes, <i>see</i> Pls'. Opp. Brief at 12 n.5.	¶ 96	¶¶ 178-87; 11, 41, 48, 50, 57-76, 148-51, 153-55, 166-68
5/10/2018	Hecla's Q1 2018 10-Q described risks that <i>may</i> or <i>could</i> in the future. There was no disclosure that these risks had already occurred.	Yes, <i>see</i> Pls'. Opp. Brief at 20.	¶ 99	¶¶ 178-87; 11, 41, 48, 50, 57-76, 148-51, 153-55, 166-68
7/23/2018	"With this acquisition, Hecla now has <i>three high-grade mines</i> in Nevada.... <i>These assets immediately add</i> production and <i>cash flow</i>" ¶ 102	Yes, <i>see</i> Pls'. Opp. Brief at 11-13.	¶ 103	¶¶ 178-87; 11, 14, 41, 48, 50, 57-76, 148-51, 153-55, 166-68

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8/9/2018	"We have now closed the acquisition of <i>the high-grade Nevada mines</i> , and are beginning their integration into Hecla.... Our plan is to operate the mines and mill as one unit, allocating the workforce and capital <i>to generate margins and focus on profitability, not just on production for production's sake, Fire Creek has the best margin of the 3 mines by a considerable amount</i> , so ramping it up is our priority..." ¶ 105	Yes, <i>see</i> Pls'. Opp. Brief at 19 n.9.	¶ 106	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68
8/9/2018	"As is our mantra at Hecla, all operations need to generate positive cash flows in their mine plans and we expect Nevada will be no different. <i>The Nevada assets are basically self-funding.</i> " ¶ 107	Yes, <i>see</i> Pls'. Opp. Brief at 11-13, 16.	¶ 108	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-58, 166-68
8/9/2018	" <i>One is the expectation is this year that for the five months, it will be self-funding. We're not anticipating needing to contribute additional capital into it.</i> " ¶ 109	Yes, <i>see</i> Pls'. Opp. Brief at 13.	¶ 110	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68

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8/9/2018	Concerning permits for the Nevada Mines: " <i>We've got everything we need.</i> " ¶ 111	Yes, <i>see</i> Pls'. Opp. Brief at 18-19 and n.8.	¶ 112	¶¶ 178-87; 52, 54, 57, 59-62, 66, 69, 72-74, 78, 149.
8/9/2018	The " <i>margin</i> " from the Nevada Mines "should not only improve our equity value, but also our credit metrics and the rating agencies are beginning to take notice of this as exemplified by our bond rating upgrade by S&P. . . ." ¶ 113	Yes, <i>see</i> Pls'. Opp. Brief at 11-13, 19 n.9.	¶¶ 114, 166	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68
8/9/2018	Defendants violated Item 303 by failing to disclose material negative trends and uncertainties that were negatively affecting operations and that were growing worse at the Nevada Mines. ¶ 115	Yes, <i>see</i> Pls'. Opp. Brief at 12 n.5.	¶ 115	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68
8/9/2018	Hecla's Q2 2018 10-Q described risks that <i>may</i> or <i>could</i> in the future. There was no disclosure that these risks had already occurred. ¶ 116	Yes, <i>see</i> Pls'. Opp. Brief at 20.	¶ 117	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68

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11/8/2018	"The mining of select high-grade zones has been moved from Q3 2018 into 2019 as the ore extended vertically farther than expected, and development is needed for full extraction of the ore panels." ¶ 119	Yes, <i>see</i> Pls'. Opp. Brief at 19.	¶ 120	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-80, 148-51, 153-55, 166-68
11/8/2018	"We encountered existing poor ground conditions, many development phases were in unconsolidated tuff, which is basically clay-rich, had <i>a little bit of water</i> and the conditions turned to mush." ¶ 121	Yes, <i>see</i> Pls'. Opp. Brief at 19.	¶ 122	¶¶ 178-87; 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68
11/8/2018	" <i>Our goal for Nevada operations is that the operations are cash neutral</i> , including Hatter Graben development and the Fire Creek development ramp-up. . ." ¶ 121	Yes, <i>see</i> Pls'. Opp. Brief at 11-13.	¶ 122	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68
11/8/2018	The Nevada Mines are " <i>going to generate the cash flow necessary for it to do the ramp up of development in 2019. . . .</i> " ¶ 123	Yes, <i>see</i> Pls'. Opp. Brief at 11-13.	¶ 124	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68

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11/8/2018	<i>"We see Nevada being able to largely pay for the Hatter Graben, to pay for the development within Fire Creek. We think we can run it pretty close to cash flow neutral. And that is what we have suggested we would be able to do."</i> ¶ 123	Yes, <i>see</i> Pls'. Opp. Brief at 12, 16-17.	¶ 124	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68
11/8/2018	Defendants violated Item 303 by failing to disclose material negative trends and uncertainties that were negatively affecting operations and that were growing worse at the Nevada Mines. ¶ 126	Yes, <i>see</i> Pls'. Opp. Brief at 12 n.5.	¶ 126	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68
11/8/2018	Hecla's Q3 2018 10-Q described risks that <i>may</i> or <i>could</i> in the future. There was no disclosure that these risks had already occurred. ¶127	Yes, <i>see</i> Pls'. Opp. Brief at 20.	¶ 128	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68
12/4/2018	<i>"There's no major capital expenditures that we can't fund out of the Nevada operations. So we're really quite pleased with the transaction."</i> ¶ 129	Yes, <i>see</i> Pls'. Opp. Brief at 11-13, 17.	¶ 130	¶¶ 178-87; 11, 14, 41, 48, 50-51, 57-81, 148-51, 153-55, 166-68

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2/14/2019	"Underground drilling at Fire Creek <i>is identifying extensions to the Vonnie, Joyce, Karen and Honey Runner high-grade veins/structures</i> in the Spiral 2, 3 and 4 areas" and "the drill targeting the southern up-dip extents of the <i>Vonnie, Vein 6, Joyce, and Vein 8 has defined multiple narrow, gold-bearing structures that persist into the upper extents of the Spiral 4 area.</i> " ¶ 136	Yes, <i>see</i> Pls'. Opp. Brief at 11-13, 19.	¶ 137	¶ 82
2/21/2019	"[W]hat we've said is, is that the operations will be cash flow positive with exception of the exploration and the development for the Hatter Graben. So when you look at – and so basically we're saying that <i>we're right at positive cash flow from Nevada.</i> " ¶ 138	Yes, <i>see</i> Pls'. Opp. Brief at 11-13.	¶¶ 139, 50-85, 148-58, 166-68	¶¶ 178-87; 11, 14, 41, 48, 50-53, 57-85, 148-51, 153-55, 166-68
2/21/2019	"We expect in 2019, the Nevada mining operations <i>will be cash flow positive . . .</i> " ¶ 138	Yes, <i>see</i> Pls'. Opp. Brief at 11-13.	¶¶ 139; 50-85, 148-58, 166-68	¶¶ 178-87; 11, 14, 41, 48, 50-53, 57-86, 148-51, 153-55, 166-68

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2/21/2019	"We're looking at a bit more of a mobile dewatering plant, so that we're not managing the water underground." ¶ 140	Yes, <i>see</i> Pls'. Opp. Brief at 17.	¶ 140	¶¶ 50, 52-53
2/22/2019	Defendants violated Item 303 by failing to disclose the material negative trends and uncertainties that were negatively affecting operations and that were growing worse at the Nevada Mines. ¶ 142	Yes, <i>see</i> Pls'. Opp. Brief at 20.	¶ 142	¶¶ 178-87; 11, 14, 41, 48, 50-53, 57-86, 148-51, 153-55, 166-68
2/22/2019	Hecla's 2019 10-K described risks that <i>may</i> or <i>could</i> in the future. There was no disclosure that these risks had already occurred. ¶ 143	Yes, <i>see</i> Pls'. Opp. Brief at 20.	¶ 144, 50-85, 148-58, 166-68	¶¶ 178-87; 11, 14, 41, 48, 50-53, 57-86, 148-51, 153-55, 166-68
4/18/2019	"A <i>minor amendment to the water discharge permit for Fire Creek is expected in the second quarter which should enable a higher discharge rate.</i> " ¶ 145	Yes, <i>see</i> Pls'. Opp. Brief at 19 n.9.	¶ 147	¶¶ 178-87; 52-54, 57, 59-62, 66, 69, 72-74, 78, 81, 84, 148-51, 153-55.